Main Street COMMUNITY FOUNDATION

Your Community. Your Legacy. Your Way.

FOR ADVISORS

Your client wants to express his or her passion for giving back to community in specific ways. We will help you and your client understand community needs and programs, then direct gift dollars to make the greatest impact.

In most cases, vehicles available to donors:

- Increase income
- Minimize gift, estate and income taxes
- Avoid capital gains taxes
- Pass assets to heirs at a significantly lower cost
- Achieve numerous other personal goals while allowing the donor to make a significant commitment to improve their community

ALTERNATIVES TO PRIVATE FOUNDATIONS

Donor Advised Funds

Planning on setting up a family foundation? Consider a donor advised fund with the Main Street Community Foundation instead.

A donor advised fund allows you to facilitate your family's charitable activities without the administration, management and IRS burden commonly associated with setting up a private foundation. The fund costs less to maintain than a private foundation, allows bigger tax deductions and minimizes the paperwork for giving.

Plus you receive all the services and expertise that Main Street Community Foundation offers other fund holders.

See reverse side for comparison chart.

Supporting Organizations

Do you have a family foundation and are tired of the administration and IRS requirements associated with it? Become a supporting organization to the Main Street Community Foundation. This allows you to have tax exempt status as a public charity, but with a separate identity, mission and participation on the board of directors.

The benefits of these structures are many. We take on the accounting and filing of all required reports, and annual tax returns and audits. We can assist you with your grantmaking mission or focus, structuring grant applications and the review process, evaluating grants made and publicizing activities.

Contact us to learn more about these unique benefits.

Visit: mainstreetfoundation.org
Call: 860-583.6363

BRISTOL | BURLINGTON | PLAINVILLE | PLYMOUTH | SOUTHINGTON | WOLCOTT

Main Street Community Foundation | 120 Halcyon Drive, Bristol, CT 06010 | 860.583.6363 | mainstreetfoundation.org

COMPARISONS	DONOR-ADVISED FUND	PRIVATE FOUNDATION
Creating the Fund or Foundation	Established at the Main Street Community Foundation (MSCF)	Non-profit corporation or trust organized as a private foundation
Tax-exempt Status	Shares the public charity tax-exempt status of MSCF	Must apply for tax-exempt status from the IRS
Start-Up Cost	No cost to donor	Similar to corporate start-up requiring substantial legal, accounting and operational start-up costs
Recommended Size	$10,000 or more	Substantial assets required
Charitable Deductions-cash gifts and appreciated stock	Tax deduction of up to 60% of adjusted income for cash gifts. Appreciated stock is deductible at its fair market value as of the date it is received by MSCF up to 30% of adjusted gross income.	Tax deduction is limited to 30% of adjusted gross income
Charitable Deductions-appreciated real property	Tax deduction available for full market value. Tax deduction available up to 30% of adjusted gross income.	Tax deduction may be taken for fair market value of marketable securities. Tax deduction for other property is limited to the lower of cost or fair market value, and is limited to 20% of adjusted income.
Donor Control	Donor makes grant recommendations to protect tax deductibility; final oversight rests with MSCF	Donor retains complete control over investments and grant-making, subject to IRS requirements
Public Disclosure	No required public disclosure; anonymity available	Annual tax returns and filings must be open for public inspection
Self-Dealing Rules	Private foundation self-dealing rules do not apply	Strict regulations prohibit most transactions between a private foundation and its donors (including related persons or corporations)
Pay-Out Requirements	Do not apply	Must pay out for charitable purposes at least 5% of its asset value regardless of its annual income
Administrative Concerns (personnel, facility, gift and grant management)	Services provided by MSCF	Must establish and/or obtain these services
Annual Fees	1.75% administrative fee	Administration can be costly
Annual Tax Filings and Returns	Not required (included as part of MSCF's annual reporting)	Annual tax return required. Generally exempt from income tax is but subject to excise tax of 1.39% of net investment gain including net capital gains
Investments	Fund assets are professionally invested through MSCF as part of more than $60 million in funds	Responsible for seeking prudent financial guidance for investments
Fiduciary Responsibility	MSCF fulfills the associated fiduciary responsibilities	The private foundation board has full fiduciary responsibility
Liability & Risk Insurance	Provided by MSCF	Must be purchased by the private foundation